

Memorandum

TO: Governor's Task Force on Energy Efficiency and Renewables -
Renewables Workgroup and Stakeholders

FROM: Don Reck, co-chair
Michael Vickerman, co-chair

DATE: March 26, 2004

RE: Outcomes from 3-25-04 Meeting

Task Force Members Present:

Rep. Spencer Black
Charlie Higley, CUB
Don Reck, Xcel
Keith Reopelle, State Environmental Leadership Program
Michael Vickerman, RENEW

Staff Present:

Alex DePillis, DOA
Paul Helgeson, PSC

Stakeholders Present:

Katie Abend, Martin Schreiber & Associates
Jeff Anthony, WE Energies
Cathy Boies, CFC
Steve Bohlman, Alliant
David Donovan, Xcel
Phyllis Dube, WE Energies
Jennifer Giegerich, WISPIRG
Marc Looze, Clean WI
Scott Neitzel, MGE
Ilze Rukis, WPS
Phil Uekert, WPS

The Renewables Workgroup established the following meeting schedule:

April 27th 1-4 p.m. at Xcel's office in Madison (10 East Doty Street, Suite 511)
May 24th 1-4 p.m. at Xcel's office in Madison (10 East Doty Street, Suite 511)
June 8th 1-4 p.m. at Xcel's office in Madison (10 East Doty Street, Suite 511)

Meeting Outcomes

- Workgroup reviewed the legislative developments discussed at the last full Task Force meeting. Discussion included the need to refine the language in SB 554/AB 977, legislation establishing targets for state purchases of renewable energy, particularly in regards to the length of long-term contracts.

- As discussed at the full Task Force meeting, March 25th was the cutoff for new proposals to be submitted for the Renewables Workgroup's consideration.
- Workgroup discussed the renewables target matrix. Keith Reopelle offered an additional proposal borrowing from RENEW's proposal. Keith's proposal would move the final target date forward to 2013, allow credit trading, require a legislative change, and tie credits to the life of the resource.
- The workgroup reached the following consensus regarding the renewables target:
 - 1. One of the primary principles guiding this discussion is to develop a policy that spurs development of new renewable-based generation in the state that displaces fossil fuel generation in Wisconsin
 - 2. All renewable-based generation that is located within a Wisconsin utility's footprint should be counted toward a new renewable standard regardless of age or type of resource, as long as that electricity replaces fossil-based electricity in Wisconsin.
 - 3. With respect to items 1 and 2 above, if the Wisconsin utility is part of an interconnected multi-state system that serves Wisconsin and other states, the policies above would apply to renewable-based generation within the footprint of the utility's multi state interconnected system, not just generation located within Wisconsin. In those circumstances the output from qualifying renewable generation can only be counted once (e.g., toward the requirements of one state).
 - 4. If a utility should not meet a new renewable target, the PSC should be granted the authority to determine if that utility made a good faith effort toward meeting the target but experienced implementation delays beyond its control (i.e. non-extension of the federal production tax credit, inability to receive transmission rights, siting opposition, low annual growth rates, etc.)
- Group discussed Sen. Cowles' wind siting proposal, agreeing to review a model ordinance and develop some recommendations for a public education program.
- Paul Helgeson reported on the Minnesota process for siting large and small-scale wind projects.

Action Items

- Xcel to research credit trading programs offered in various states encompassed in its service territory. Of particular interest is the life of credits established by these various programs.
- A sub-committee was formed to develop figures illustrating the renewable energy content and make-up for each state utility. This workgroup will include Jeff Anthony, Alex DePillis and Dave Donovan. Group is scheduled to meet on April 15th.

- A second sub-committee was formed to review previous work on a wind siting model ordinance and develop ideas for an education program. Workgroup to include: Michael Vickerman, Paul Helgeson, Dave Donovan and Alex DePillis. Workgroup will also contact Sen. Cowles' office to encourage his input.